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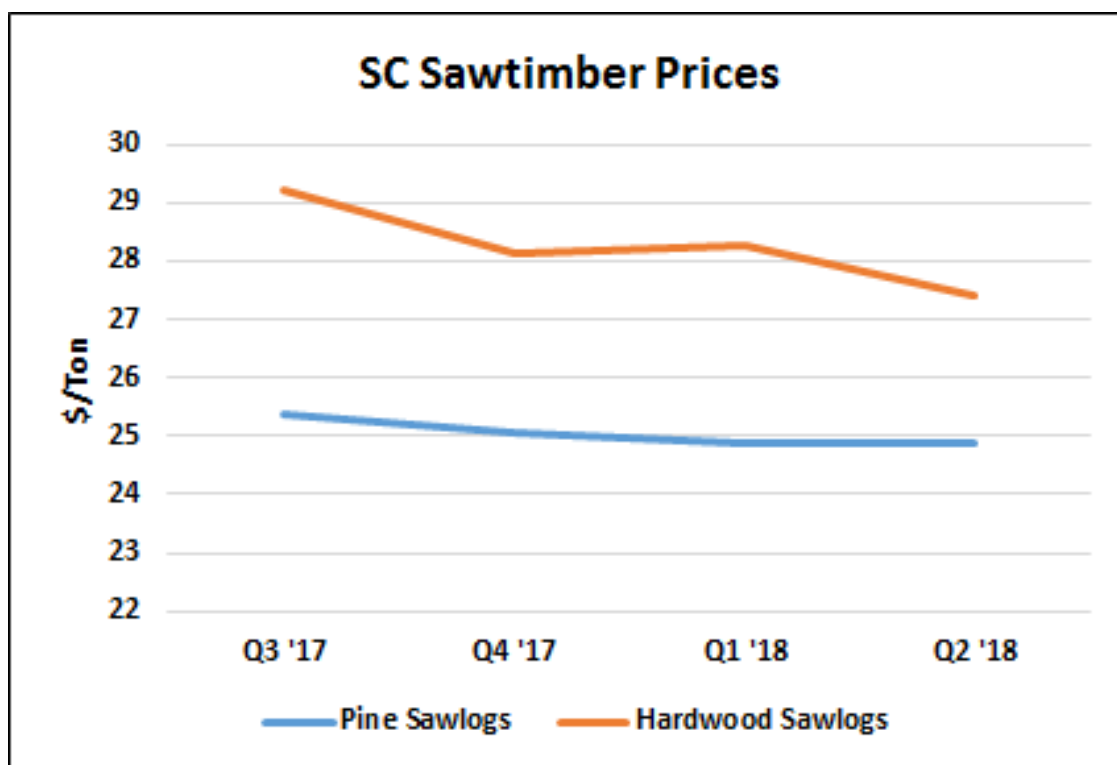
COOPERATIVE EXTENSION

SOUTH CAROLINA FORESTRY MARKET - QUARTERLY UPDATE

2nd QUARTER, 2018

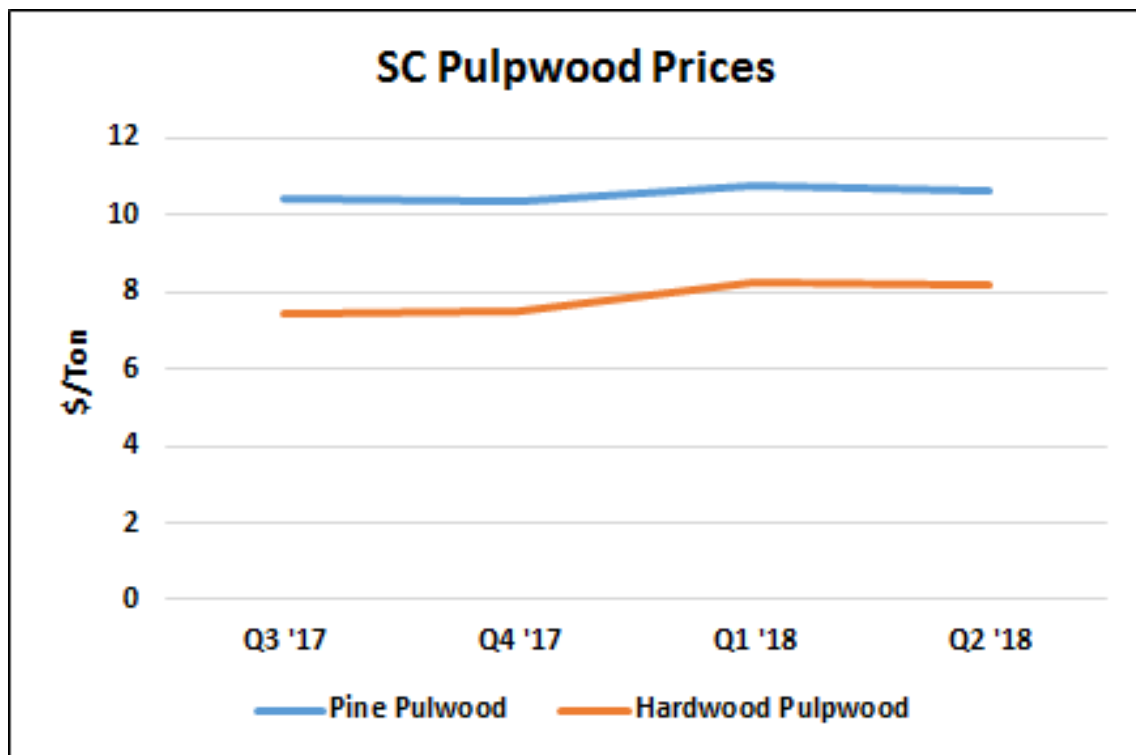
SC Sawtimber and Pulpwood Stumpage Price Trends

South Carolina statewide pine sawtimber prices, on average, were \$24.87/ton in the second quarter, 2018. Pine sawtimber price trends were almost unchanged from the previous quarter price (\$24.88/ton), and were down 2.7% from the price this period in the previous year (second quarter, 2017). South Carolina statewide mixed hardwood sawtimber prices, on average, were \$27.42 in the second quarter, 2018. These prices were down 2.9% from the first quarter, 2018, and down 2.6% from this period in the previous year (\$28.15/ton).



South Carolina statewide pine pulpwood prices, on average, were \$10.65/ton in the second quarter, 2018, down 1.1% from the previous quarter but were up 0.9% from the same period the previous year. South Carolina statewide hardwood pulpwood prices, on average, were \$8.18/ton in the second quarter, 2018. These prices were down 0.7% from the previous quarter prices, but were up

9% from the same period in the previous year.



Price Conversions

- Pine sawtimber/MBF= Tons*7.50
- Hardwood sawtimber/MBF= Tons*8.75
- CNS and pine pulpwood/cords= Tons*2.68
- Hardwood pulpwood/cords= Tons*2.90

The timber and pulpwood price data included in this newsletter are published with permission from TimberMart-South, Warnell School of Forestry and Natural Resources, University of Georgia, Athens GA 30602 and email, tmart@uga.edu.

News Section

- **Forest Industry News:** CANFOR is going forward with a new sawmill in Washington, GA breaking ground this fall. GP is also opening a new mill in Augusta, GA, both will pull from SC. (Credit to Pat Layton for the news).
- **SC Tree Farm News:**
 - Dr. Walt McPhail received the Friend of Extension award at the annual South Carolina Association of County Agricultural Agents conference hosted in Newberry, SC on May 17. Dr. McPhail was praised for his long standing support of Clemson Cooperative Extension.
 - Tree Farm field tour and award ceremony (September 20, 2018) at the Richland County Tree Farm of W. Patrick Dorn, Jr. – 2017 SC Tree Farmer of the Year
- **Forestry Association of South Carolina** convention (November 7-9, 2018) at Hilton Head Island, SC.
- **SC Urban Forestry Workshop** (July 26, 2018) at Madren Center, Clemson.

Why is stumpage price still low in the South despite the record lumber price?

Recently the southern lumber price has been trending at record high levels despite log prices not being at the pre-recession levels. In the last 5 years, SC sawtimber prices for hardwood logs have increased only 5% and the prices for pine logs have not improved much. Log prices have improved from the recession level low, but their price trends have yet to reflect the recent surge in lumber prices. These record surge in lumber price have been a good news for the sawmills and lumber traders, but not so much for the forest landowners. The following major factors have contributed to these market trends for the South:

- **Excess log supply and stocking of the harvestable age inventory.** The U.S. South has an excess log supply, partly resulting from the delay in harvest decision by many forest landowners during the last recession period.
- **Technological upgrades and production efficiencies of the mills after the recession.** The southern sawmills that did not close during recession have steadily upgraded to become technologically advanced with increased production efficiency. These upgrades have allowed sawmills to produce more lumber using less sawtimber, resulting in the less demand for logs.
- **Slow improving housing market.** The U.S. housing market is improving but at a slow and steady rate.

Currently the southern log market is in over-supply situation. It will take some time to clear this log-jam and normal supply and demand situation to prevail. Log prices should eventually increase to keep pace with the currently recovering housing market in the U.S.

(Citations: Publications from Forest2Market, Wood Resources International, Forest Business Network, and Bloomberg Markets).

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